



**RALLS COUNTY, MISSOURI
TWO YEARS ENDED DECEMBER 31, 2002**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-117
December 22, 2003
www.auditor.mo.gov**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

December 2003

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Ralls, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Ralls County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Accounting and bookkeeping duties over county funds are not adequately segregated. The County Treasurer is primarily responsible for receiving, depositing, preparing bank reconciliations, and maintaining the accounting records. The County Treasurer also enters some disbursements, and prepares and issues checks. Although the County Treasurer files a daily receipts report, a monthly report of fund balances, and semi-annual settlements with the County Clerk, the County Clerk does not have independent records to compare the Treasurer's information to and does not perform a documented review of the reports and reconciliations prepared by the County Treasurer.
- Formal budgets were not prepared for various county funds, disbursements exceeded budget amounts, and the annual published financial statements of the county did not include the financial activity of some funds.
- Bids were not always solicited nor was bid documentation always retained by the county for various purchases. While the county officials provided some explanations, documentation was not always maintained.
- As noted in the prior audit, administrative service fee transfers from the Special Road and Bridge Fund to the General Revenue Fund have often exceeded three percent of actual disbursements. As of December 31, 2002, \$98,713 is due back to the Special Road and Bridge Fund for these excess transfers.

YELLOW SHEET

- The county has not sufficiently reduced its general revenue property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by county voters. The county collected excess property tax revenues totaling \$33,339. Although the former County Clerk's calculations could not be located by the current County Clerk, it appears that the excess taxes could be partially attributed to actual sales tax receipts being greater than the amount estimated.
- The County Clerk does not maintain an account book with the County Collector and does not prepare or verify the current or back tax books. Controls over property tax book additions and abatements are not adequate.
- There was no evidence deputies who handle monies were covered by an employee bond and centralized leave and compensatory time records were not maintained by the County Clerk.
- The County Clerk is a license fee agent for the Missouri Department of Revenue (DOR) and operates the fee office from his office in the courthouse. The County Clerk receives a fee for each license or permit processed. Based on an agreement between the County Clerk and the County Commission, the County Clerk pays the county \$100 per month for rent. In addition, the County Clerk pays 50 percent of the salary of one of his three deputies. No documentation exists to document the adequacy of the monthly rental amount or the salary allocation of the deputy. All three deputies were observed performing some DOR business most every day. Time spent on DOR business reduces the time available for county business which could be used to implement controls mentioned throughout this report related to the County Clerk's office.
- The 911 Board does not have adequate budgetary and receipting procedures, individuals who handle monies are not bonded, and the petty cash fund is not properly maintained. In addition, the Board does not issue IRS Forms 1099-MISC as required and does not maintain adequate fixed asset records.

Also included in the audit were recommendations to improve the county's general fixed assets records and procedures. The audit also suggested improvements in the procedures of the Assessor, County Clerk, Sheriff, Circuit Clerk, Associate Division, and the Health Center.

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RALLS COUNTY, MISSOURI

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Ralls County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Ralls County, Missouri, as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Ralls County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2002 and 2001, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 22, 2003, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Ralls County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

August 22, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Thomas J. Kremer, CPA
Audit Manager:	Jeannette Eaves, CPA
In-Charge Auditor:	Todd Stoll
Audit Staff:	Kenneth Allman
	Clifford E. Lewton
	Liang Xu



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Ralls County, Missouri

We have audited the financial statements of various funds of Ralls County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 22, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Ralls County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1. We also noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Ralls County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the county's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness. We also noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Ralls County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

August 22, 2003 (fieldwork completion date)

Financial Statements

Exhibit A-1

RALLS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 113,249	1,377,973	1,371,066	120,156
Special Road and Bridge	163,146	1,671,153	1,708,717	125,582
Assessment	0	172,390	172,390	0
Election Services	3,280	971	1,765	2,486
Law Enforcement Training	358	4,508	4,701	165
Prosecuting Attorney Training	12,065	1,125	600	12,590
Prosecuting Attorney Delinquent Tax	4,982	167	0	5,149
Prosecuting Attorney Administration	3,584	1,977	1,225	4,336
Recorder's User Fee	13,568	9,357	585	22,340
Domestic Violence	228	408	429	207
Sheriff's	5,931	19,816	25,273	474
Circuit Division Interest	4,777	357	1,273	3,861
Associate Circuit Division Interest	704	178	0	882
Health Center	416,216	794,786	722,082	488,920
911	27,779	383,615	375,116	36,278
Tax Maintenance	0	568	0	568
CDBG - Bailey Bridge	0	191,004	191,004	0
Total	\$ 769,867	4,630,353	4,576,226	823,994

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

RALLS COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2001

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 96,372	1,258,191	1,241,314	113,249
Special Road and Bridge	165,240	1,172,646	1,174,740	163,146
Assessment	0	166,898	166,898	0
Election Services	1,917	2,863	1,500	3,280
Law Enforcement Training	1,396	4,215	5,253	358
Prosecuting Attorney Training	11,257	1,408	600	12,065
Prosecuting Attorney Delinquent Tax	4,344	638	0	4,982
Prosecuting Attorney Administration	2,733	2,051	1,200	3,584
Recorder's User Fee	6,467	7,101	0	13,568
Domestic Violence	286	422	480	228
Sheriff's	9,394	25,086	28,549	5,931
Circuit Division Interest	4,466	934	623	4,777
Associate Circuit Division Interest	1,838	733	1,867	704
Health Center	268,173	780,811	632,768	416,216
911	0	349,460	321,681	27,779
Ralls County Water District	0	4,401	4,401	0
Total	\$ 573,883	3,777,858	3,581,874	769,867

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 4,292,516	4,438,781	146,265	3,422,390	3,773,457	351,067
DISBURSEMENTS	4,613,556	4,385,222	228,334	3,690,639	3,577,473	113,166
RECEIPTS OVER (UNDER) DISBURSEMENTS	(321,040)	53,559	374,599	(268,249)	195,984	464,233
CASH, JANUARY 1	740,032	769,867	29,835	572,880	573,883	1,003
CASH, DECEMBER 31	418,992	823,426	404,434	304,631	769,867	465,236
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	287,649	306,165	18,516	270,524	294,657	24,133
Sales taxes	607,500	616,579	9,079	555,000	598,877	43,877
Intergovernmental	59,100	61,677	2,577	68,500	55,668	(12,832)
Charges for services	185,500	200,835	15,335	173,750	179,537	5,787
Interest	10,000	4,835	(5,165)	15,000	13,208	(1,792)
Other	59,500	123,530	64,030	56,700	73,027	16,327
Transfers in	64,000	64,352	352	45,000	43,217	(1,783)
Total Receipts	1,273,249	1,377,973	104,724	1,184,474	1,258,191	73,717
DISBURSEMENTS						
County Commissioner	79,290	80,006	(716)	79,540	78,535	1,005
County Clerk	69,853	71,481	(1,628)	69,500	67,688	1,812
Elections	82,000	58,441	23,559	40,100	39,893	207
Buildings and grounds	52,920	87,272	(34,352)	42,382	50,171	(7,789)
Employee fringe benefit	188,500	163,011	25,489	156,000	149,779	6,221
County Treasurer	29,730	29,755	(25)	29,920	29,691	229
County Collector	69,640	68,127	1,513	69,220	67,177	2,043
Circuit Clerk	45,420	44,544	876	47,016	42,232	4,784
Associate Circuit	9,400	9,563	(163)	9,400	9,127	273
Court administration	10,466	9,208	1,258	9,127	7,188	1,939
Public Administrator	27,825	27,614	211	27,800	26,616	1,184
Sheriff	344,184	430,576	(86,392)	362,358	385,373	(23,015)
Prosecuting Attorney	78,100	78,718	(618)	77,800	77,190	610
Juvenile Officer	44,656	20,296	24,360	44,680	16,066	28,614
County Coroner	17,050	13,704	3,346	19,300	14,181	5,119
Planning and zoning	23,040	17,285	5,755	22,472	21,960	512
Other general county government	122,364	99,494	22,870	110,396	99,820	10,576
Public health and welfare service	1,000	60	940	1,000	100	900
Transfers out	52,860	61,911	(9,051)	62,835	58,527	4,308
Emergency Fund	38,200	0	38,200	0	0	0
Total Disbursements	1,386,498	1,371,066	15,432	1,280,846	1,241,314	39,532
RECEIPTS OVER (UNDER) DISBURSEMENTS	(113,249)	6,907	120,156	(96,372)	16,877	113,249
CASH, JANUARY 1	113,249	113,249	0	96,372	96,372	0
CASH, DECEMBER 31	0	120,156	120,156	0	113,249	113,249

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	332,717	346,318	13,601	268,042	333,141	65,099
Sales taxes	121,500	123,316	1,816	111,000	119,915	8,915
Intergovernmental	1,164,380	1,134,504	(29,876)	537,700	623,654	85,954
Interest	12,000	8,895	(3,105)	25,000	18,517	(6,483)
Other	53,000	58,120	5,120	39,050	72,419	33,369
Transfers in	29,000	0	(29,000)	5,000	5,000	0
Total Receipts	1,712,597	1,671,153	(41,444)	985,792	1,172,646	186,854
DISBURSEMENTS						
Salaries	280,000	288,144	(8,144)	272,032	270,142	1,890
Employee fringe benefit	135,000	151,047	(16,047)	113,500	112,414	1,086
Supplies	170,500	154,158	16,342	162,500	149,284	13,216
Insurance	25,000	24,707	293	25,000	21,580	3,420
Road and bridge materials	371,643	275,625	96,018	321,000	354,504	(33,504)
Equipment repairs	30,000	31,498	(1,498)	30,000	36,402	(6,402)
Rentals	1,000	669	331	0	212	(212)
Equipment purchases	150,000	111,961	38,039	150,000	139,246	10,754
Construction, repair, and maintenance	636,600	601,166	35,434	20,000	42,185	(22,185)
Other	12,000	5,390	6,610	12,000	5,590	6,410
Transfers out	64,000	64,352	(352)	45,000	43,181	1,819
Total Disbursements	1,875,743	1,708,717	167,026	1,151,032	1,174,740	(23,708)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(163,146)	(37,564)	125,582	(165,240)	(2,094)	163,146
CASH, JANUARY 1	163,146	163,146	0	165,240	165,240	0
CASH, DECEMBER 31	0	125,582	125,582	0	163,146	163,146
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	113,100	108,531	(4,569)	106,000	110,102	4,102
Charges for services	1,400	365	(1,035)	1,000	1,428	428
Interest	300	191	(109)	800	521	(279)
Other	2,000	2,282	282	1,300	1,854	554
Transfers in	52,860	61,021	8,161	57,835	52,993	(4,842)
Total Receipts	169,660	172,390	2,730	166,935	166,898	(37)
DISBURSEMENTS						
Assessor	169,660	172,390	(2,730)	166,935	166,898	37
Total Disbursements	169,660	172,390	(2,730)	166,935	166,898	37
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Charges for services	2,000	577	(1,423)	500	2,180	1,680
Interest	100	95	(5)	0	207	207
Transfers in	0	299	299	0	476	476
Total Receipts	2,100	971	(1,129)	500	2,863	2,363
DISBURSEMENTS						
Elections	5,380	1,765	3,615	2,000	1,500	500
Total Disbursements	5,380	1,765	3,615	2,000	1,500	500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,280)	(794)	2,486	(1,500)	1,363	2,863
CASH, JANUARY 1	3,280	3,280	0	1,917	1,917	0
CASH, DECEMBER 31	0	2,486	2,486	417	3,280	2,863
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	0	1,379	1,379	0	1,496	1,496
Charges for services	2,500	3,119	619	2,500	2,670	170
Interest	0	10	10	0	49	49
Total Receipts	2,500	4,508	2,008	2,500	4,215	1,715
DISBURSEMENTS						
Sheriff	2,500	4,701	(2,201)	2,500	5,253	(2,753)
Total Disbursements	2,500	4,701	(2,201)	2,500	5,253	(2,753)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(193)	(193)	0	(1,038)	(1,038)
CASH, JANUARY 1	358	358	0	1,396	1,396	0
CASH, DECEMBER 31	358	165	(193)	1,396	358	(1,038)
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Charges for services	500	778	278	500	668	168
Interest	300	347	47	800	740	(60)
Total Receipts	800	1,125	325	1,300	1,408	108
DISBURSEMENTS						
Prosecuting Attorney	1,500	600	900	500	600	(100)
Total Disbursements	1,500	600	900	500	600	(100)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(700)	525	1,225	800	808	8
CASH, JANUARY 1	12,065	12,065	0	11,257	11,257	0
CASH, DECEMBER 31	11,365	12,590	1,225	12,057	12,065	8

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DELINQUENT TAX FUND</u>						
RECEIPTS						
Intergovernmental	0	25	25	0	346	346
Interest	0	142	142	0	292	292
Total Receipts	0	167	167	0	638	638
DISBURSEMENTS						
Prosecuting Attorney	0	0	0	3,000	0	3,000
Total Disbursements	0	0	0	3,000	0	3,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	167	167	(3,000)	638	3,638
CASH, JANUARY 1	4,982	4,982	0	4,344	4,344	0
CASH, DECEMBER 31	4,982	5,149	167	1,344	4,982	3,638
<u>PROSECUTING ATTORNEY ADMINISTRATION FUND</u>						
RECEIPTS						
Charges for service:	1,200	1,863	663	0	1,850	1,850
Interest	0	114	114	0	201	201
Total Receipts	1,200	1,977	777	0	2,051	2,051
DISBURSEMENTS						
Prosecuting Attorney	1,200	1,225	(25)	1,200	1,200	0
Total Disbursements	1,200	1,225	(25)	1,200	1,200	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	752	752	(1,200)	851	2,051
CASH, JANUARY 1	3,584	3,584	0	2,733	2,733	0
CASH, DECEMBER 31	3,584	4,336	752	1,533	3,584	2,051
<u>RECORDER'S USER FEE FUND</u>						
RECEIPTS						
Charges for service:	4,600	8,872	4,272	4,000	6,560	2,560
Interest	0	485	485	500	541	41
Total Receipts	4,600	9,357	4,757	4,500	7,101	2,601
DISBURSEMENTS						
Recorder	18,168	585	17,583	10,967	0	10,967
Total Disbursements	18,168	585	17,583	10,967	0	10,967
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,568)	8,772	22,340	(6,467)	7,101	13,568
CASH, JANUARY 1	13,568	13,568	0	6,467	6,467	0
CASH, DECEMBER 31	0	22,340	22,340	0	13,568	13,568

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for services	0	405	405	0	415	415
Interest	0	3	3	0	7	7
Total Receipts	0	408	408	0	422	422
DISBURSEMENTS						
Contracted Services	0	429	(429)	0	480	(480)
Total Disbursements	0	429	(429)	0	480	(480)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(21)	(21)	0	(58)	(58)
CASH, JANUARY 1	228	228	0	286	286	0
CASH, DECEMBER 31	228	207	(21)	286	228	(58)
<u>SHERIFF'S FUND</u>						
RECEIPTS						
Intergovernmental	0	2,779	2,779	0	7,956	7,956
Charges for services	18,500	16,818	(1,682)	18,500	16,642	(1,858)
Interest	0	109	109	0	488	488
Other	0	110	110	0	0	0
Total Receipts	18,500	19,816	1,316	18,500	25,086	6,586
DISBURSEMENTS						
Sheriff	18,500	25,273	(6,773)	18,500	28,549	(10,049)
Total Disbursements	18,500	25,273	(6,773)	18,500	28,549	(10,049)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(5,457)	(5,457)	0	(3,463)	(3,463)
CASH, JANUARY 1	5,931	5,931	0	9,394	9,394	0
CASH, DECEMBER 31	5,931	474	(5,457)	9,394	5,931	(3,463)
<u>CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	350	357	7	735	934	199
Total Receipts	350	357	7	735	934	199
DISBURSEMENTS						
Equipment	3,071	1,273	1,798	2,055	623	1,432
Total Disbursements	3,071	1,273	1,798	2,055	623	1,432
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,721)	(916)	1,805	(1,320)	311	1,631
CASH, JANUARY 1	2,721	4,777	2,056	1,320	4,466	3,146
CASH, DECEMBER 31	0	3,861	3,861	0	4,777	4,777

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>ASSOCIATE CIRCUIT DIVISION INTEREST FUND</u>						
RECEIPTS						
Interest	420	178	(242)	650	733	83
Total Receipts	420	178	(242)	650	733	83
DISBURSEMENTS						
Equipment	1,000	0	1,000	1,500	1,867	(367)
Total Disbursements	1,000	0	1,000	1,500	1,867	(367)
RECEIPTS OVER (UNDER) DISBURSEMENTS	(580)	178	758	(850)	(1,134)	(284)
CASH, JANUARY 1	704	704	0	1,807	1,838	31
CASH, DECEMBER 31	124	882	758	957	704	(253)
<u>HEALTH CENTER FUND</u>						
RECEIPTS						
Property taxes	125,000	125,880	880	120,000	120,368	368
Intergovernmental	242,800	182,968	(59,832)	204,400	157,914	(46,486)
Charges for services	350,000	462,238	112,238	346,000	472,112	126,112
Interest	15,000	9,196	(5,804)	13,000	16,765	3,765
Other	13,500	14,504	1,004	11,000	13,652	2,652
Total Receipts	746,300	794,786	48,486	694,400	780,811	86,411
DISBURSEMENTS						
Salaries	470,596	428,632	41,964	410,000	365,675	44,325
Fringe benefits	99,000	94,010	4,990	102,000	86,378	15,622
Office expenditures	56,000	71,182	(15,182)	44,500	50,450	(5,950)
Equipment	10,000	9,449	551	6,000	4,798	1,202
Mileage and training	28,000	31,356	(3,356)	34,500	25,008	9,492
Program expenditures	81,000	59,531	21,469	65,000	71,995	(6,995)
Building expenses	30,000	27,922	2,078	25,000	28,416	(3,416)
Other	500	0	500	500	48	452
Total Disbursements	775,096	722,082	53,014	687,500	632,768	54,732
RECEIPTS OVER (UNDER) DISBURSEMENTS	(28,796)	72,704	101,500	6,900	148,043	141,143
CASH, JANUARY 1	416,216	416,216	0	270,347	268,173	(2,174)
CASH, DECEMBER 31	387,420	488,920	101,500	277,247	416,216	138,969

Exhibit B

RALLS COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2002			2001		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
911 FUND						
RECEIPTS						
Sales Taxes	350,000	369,975	19,975	236,880	228,907	(7,973)
Phone tax	0	0	0	15,900	18,786	2,886
Charges for services	9,240	9,240	0	9,324	9,240	(84)
Loan proceeds	0	0	0	100,000	90,000	(10,000)
Other	1,000	4,400	3,400	0	2,527	2,527
Total Receipts	360,240	383,615	23,375	362,104	349,460	(12,644)
DISBURSEMENTS						
Salaries	184,000	207,082	(23,082)	144,259	153,064	(8,805)
Fringe benefits	54,636	38,622	16,014	25,000	34,053	(9,053)
Office expense	10,000	19,929	(9,929)	13,500	19,423	(5,923)
Equipment	51,000	8,210	42,790	18,000	21,491	(3,491)
Network	18,000	18,299	(299)	18,000	11,793	6,207
Loan repayment	27,743	73,947	(46,204)	127,743	78,231	49,512
Other	9,861	9,027	834	15,602	3,626	11,976
Total Disbursements	355,240	375,116	(19,876)	362,104	321,681	40,423
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,000	8,499	3,499	0	27,779	27,779
CASH, JANUARY 1	0	27,779	27,779	0	0	0
CASH, DECEMBER 31	\$ 5,000	36,278	31,278	0	27,779	27,779

The accompanying Notes to the Financial Statements are an integral part of this statement

Notes to the Financial Statements

RALLS COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Ralls County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, or the 911 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt formal budgets for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Tax Maintenance Fund	2002
CDBG – Bailey Bridge Fund	2002
Ralls County Water District Fund	2001

Warrants issued were in excess of budgeted amounts for the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Special Road and Bridge Fund	2001
Assessment Fund	2002
Law Enforcement Training Fund	2002 and 2001
Prosecuting Attorney Training Fund	2001
Prosecuting Attorney Administration Fund	2002
Domestic Violence Fund	2002 and 2001
Sheriff's Fund	2002 and 2001
Associate Circuit Division Interest Fund	2001
911 Fund	2002

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Circuit Division Interest Fund	2002 and 2001
Associate Circuit Division Interest Fund	2002
Health Center Fund	2002 and 2001
Tax Maintenance Fund	2002
CDBG – Bailey Bridge Fund	2002
Ralls County Water District Fund	2001

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that

order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has not adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's, Health Center Board's, and the 911 Board's deposits at December 31, 2002 and 2001, were entirely covered by federal depositary insurance or by collateral securities held by the county's or the boards' custodial bank in the county's or the boards' name, or by commercial insurance provided through a surety bond.

3. Property Taxes

Through December 31, 2002, Ralls County collected \$33,339 in excess property taxes. Section 67.505, RSMo 2000, requires the county to reduce property taxes for a percentage of sales taxes collected. Ralls County voters enacted a .005 cent sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. Tax levies were not reduced sufficiently for actual sales tax collections.

4. Prior Period Adjustment

The Circuit Division Interest Fund's cash balance at January 1, 2001, as previously stated has been decreased by \$3,510 to reflect the actual cash balance.

The Election Services Fund's and Sheriff's Fund's cash balances of \$1,917 and \$9,394, respectively, at January 1, 2001, were not previously reported but have been added.

Supplementary Schedule

Schedule

RALLS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
U. S. DEPARTMENT OF AGRICULTURE				
	Passed through state			
	Department of Health and Senior Services -			
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-1187W	\$ 0	10,786
		ERS045-2187W	7,451	5,422
		ERS045-3187W	2,722	0
	Program Total		<u>10,173</u>	<u>16,208</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed through state			
	Department of Economic Development -			
14.228	Community Development Block Grants/State' Program	98-PF-28	0	4,401
		2000-PF-20	191,004	0
	Program Total		<u>191,004</u>	<u>4,401</u>
U.S. DEPARTMENT OF JUSTICE				
	Passed through:			
	State Department of Public Safety			
16.579	Byrne Formula Grant Program	2001-NCD15B-02	1,947	832
16.592	Local Law Enforcement Block Grants Program	2000-LGB-068	0	6,237
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state			
	Highway and Transportation Commission			
20.205	Highway Planning and Construction	BRO-087(13)	552,730	40,345
		BRO-087(14)	25,175	0
		BRO-087(15)	14,212	0
		COE-087(2)	0	9,355
		COE-087(3)	0	3,678
	Program Total		<u>592,117</u>	<u>53,378</u>
	Department of Public Safety			
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grant:		2,127	2,003

Schedule

RALLS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
	Passed through state			
	Department of Health and Senior Services-			
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Level in Children	ERS146-1187L ERS146-2187L	0 691	484 608
	Program Total		<u>691</u>	<u>1,092</u>
93.268	Immunization Grants	PGA064-2187A PGA064-3187A N/A	1,780 1,265 16,550	768 0 15,097
	Program Total		<u>19,595</u>	<u>15,865</u>
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	DH020097001	4,248	0
	Department of Social Services -			
93.563	Child Support Enforcement	N/A	497	429
	Department of Health and Senior Services -			
93.575	Child Care and Development Block Grant	PGA067-1187C PGA067-2187C PGA067-3187C PGA067-2182C PGA067-1187S PGA067-2187S	0 1,202 558 367 0 455	3,431 798 0 633 125 0
	Program Total		<u>2,582</u>	<u>4,987</u>
93.917	HIV Care Formula Grants	DH020088001	6,887	0
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program:	ERS161-10044 ERS161-20028 ERS161-30026	0 5,876 6,891	3,830 4,879 0
	Program Total		<u>12,767</u>	<u>8,709</u>
93.991	Preventive Health and Health Services Block Grant	C100014002 DH0204P0003	0 3,635	781 3,399
	Program Total		<u>3,635</u>	<u>4,180</u>

Schedule

RALLS COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2002	2001
93.994	Maternal and Child Health Service: Block Grant to the States	ERS146-1187M	0	12,156
		ERS146-2187M	10,019	0
		ERS146-3187M	3,347	0
		C100015060	0	630
		N/A	161	1,263
	Program Total		<u>13,527</u>	<u>14,049</u>
	Total Expenditures of Federal Award:		<u>\$ 861,797</u>	<u>132,370</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule

Notes to the Supplementary Schedule

RALLS COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Ralls County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state Department of Health and Senior Services.

2. Subrecipients

Of the federal expenditures presented in the schedule, the county provided \$4,401 to a subrecipient under the Community Development Block Grants/State's Program (CFDA number 14.228) during the year ended December 31, 2001.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commission
and
Officeholders of Ralls County, Missouri

Compliance

We have audited the compliance of Ralls County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2002 and 2001. The county's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Ralls County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2002 and 2001.

Internal Control Over Compliance

The management of Ralls County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management of Ralls County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

August 22, 2003 (fieldwork completion date)

Schedule

RALLS COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2002 AND 2001

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable condition identified that is
not considered to be a material weakness? x yes none reported

Noncompliance material to the financial statements
noted? x yes no

Federal Awards

Internal control over major program:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? yes x none reported

Type of auditor's report issued on compliance for
major program: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? yes x no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

This section includes the audit finding that *Government Auditing Standards* requires to be reported for an audit of financial statements.

02-1.

Segregation of Duties

Accounting and bookkeeping duties over county funds are not adequately segregated. The County Treasurer is primarily responsible for receiving, depositing, preparing bank reconciliations and maintaining the accounting records. The County Clerk is primarily responsible for entering disbursements, and preparing and issuing most checks. However, the County Treasurer also enters some disbursements, and prepares and issues checks. The County Clerk and the County Treasurer use accounting software and their computer systems are networked allowing both officials to change receipt and disbursement information in the system. Because the County Clerk and County Treasurer share a networked system, the segregation of duties is diminished. Although the County Treasurer files a daily receipts report, a monthly report of fund balances, and semi-annual settlements with the County Clerk, the County Clerk does not have independent records to compare the Treasurer's information to and does not perform a documented review of the reports and reconciliations prepared by the County Treasurer.

Proper segregation of duties helps to ensure that all transactions are accounted for properly and assets are adequately safeguarded. Section 51.150.1, RSMo 2000, requires the County Clerk to keep regular accounts with the County Treasurer. The County Clerk is not providing the type of check-and-balance system required by state law to ensure errors and omissions are detected on a timely basis and to provide accurate financial reporting.

WE RECOMMEND the County Clerk provide the type of check-and-balance system over county funds required by state law.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The current County Clerk responded as follows:

I will review the County Treasurer's reports and perform any other procedures necessary to comply with statutes.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

RALLS COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Ralls County, Missouri, on the applicable finding in the prior audit report issued for the two years ended December 31, 2000.

00-1. Segregation of Duties

There was a lack of sufficient segregation of duties over financial reporting.

Recommendation:

These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Status:

Not implemented. See finding number 02-1.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

RALLS COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

This section represents the Summary Schedule of Prior Audit Findings, which was prepared by the county's management.

00-2. Segregation of Duties

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	Missouri Department of Economic Development
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grants/State's Program
Pass-Through Entity	
Identifying Number:	98-PF-008/028
Award Year:	2000 and 1999
Questioned Cost:	Not applicable

There was a lack of sufficient segregation of duties over financial reporting.

Recommendation:

These areas should be reviewed periodically and consideration given to improving the segregation of duties.

Status:

Not implemented. See finding number 02-1.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

RALLS COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Ralls County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 22, 2003. We also have audited the compliance of Ralls County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the years ended December 31, 2002 and 2001, and have issued our report thereon dated August 22, 2003.

We also have audited the operations of elected officials with funds other than those presented in the financial statements. As applicable, the objectives of this audit were to:

1. Determine the internal controls established over the transactions of the various county officials.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the county officials.

As part of our audit, we assessed the controls of the various county officials to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described in the preceding paragraphs and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Management Advisory Report presents our findings arising from our audit of the elected county officials and the county boards referred to above. In addition, this report includes findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These findings resulted from our audit of the financial statements of Ralls County but do not meet the criteria for inclusion in the written report on compliance and on internal control over financial reporting that is required for an audit performed in accordance with *Government Auditing Standards*.

1. Budgetary Practices and Published Financial Statements

Formal budgets were not prepared for various county funds, disbursements exceeded budget amounts, and the annual published financial statements of the county did not include the financial activity of some county funds.

- A. Formal budgets were not prepared for various county funds for the years ended December 31, 2002 and 2001.

The County Commission failed to budget the Tax Maintenance Fund, a fund established by the County Collector in 2002 to deposit fees collected on delinquent taxes. In addition, the County Commission failed to budget the Ralls County Water District Fund in 2001.

Also, the County Commission did not properly budget a Community Development Block Grant (CDBG) fund during 2002. When preparing the 2002 budget for the Special Road and Bridge Fund, the County Commission budgeted receipts and disbursements related to this grant, because the funds were to be used for a bridge project. When the funds were received, the County Commission opened a non-interest bearing checking account in the name CDBG - Bailey Bridge and treated this as a separate county fund. However, no budget was prepared for the CDBG - Bailey Bridge Fund and the actual receipts and disbursements of the CDBG - Bailey Bridge Fund were not included in the Special Road and Bridge Fund.

Chapter 50, RSMo 2000, requires the preparation of annual budgets for all funds to present a complete financial plan for the ensuing year. By preparing or obtaining budgets for all county funds and activities, the County Commission is able to more effectively evaluate all county financial resources.

- B. Disbursements exceeded budget amounts in various funds during the years ended December 31, 2002 and 2001, as follows:

Fund	Year Ended December 31,	
	2002	2001
Special Road and Bridge	\$ n/a	23,708
Assessment	2,730	n/a
Law Enforcement Training	2,201	2,753
Prosecuting Attorney Training	n/a	100
Prosecuting Attorney Administration	25	n/a
Domestic Violence	429	480
Sheriff's	6,773	10,049
Associate Circuit Division Interest	n/a	367

Although the County Commission receives quarterly reports documenting the percentage of the budget that has been expended, the commission does not ensure expenditures remain within the budget and does not prepare and file amended budgets to necessitate any excess disbursements.

It was ruled in State ex rel. Strong v. Cribb, 364 Mo. 1122, 273 S.W.2d 246 (1954) that county officials are required to strictly comply with county budget laws. If there are valid reasons which necessitate excess disbursements, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

- C. The annual published financial statements of the county did not include the financial activity of some county funds as required. Section 50.800, RSMo 2000, provides that the financial statements are required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for all county funds. For the published financial statements to adequately inform the citizens of the county's financial activities, all monies received and disbursed by the county should be included.

A condition similar to B was noted in our prior audit report.

WE RECOMMEND the County Commission:

- A. Ensure a budget is prepared or obtained for all county funds.
- B. And the Associate Division not authorize disbursements in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended and filed per state law.
- C. And the County Clerk and the Health Center Board ensure the financial information for all county funds is properly reported in the annual published financial statements.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

- A. *The Tax Maintenance Fund was budgeted for 2003. Budget amendments will be made when additional grant monies are received.*
- B. *Beginning in 2004, we are planning to review budget to actual reports on a monthly basis and if budget amendments are needed, we will do so at that time.*

C. *We will implement this recommendation.*

The Associate Circuit Judge responded as follows:

B. *In the future, we will amend the budget when necessary.*

The Health Center Administrator responded as follows:

C. *In 2004, I will publish a summary of 2003 receipts and disbursements. I will post detail by vendor on the Health Center's bulletin board.*

2. Controls Over County Expenditures

Bids were not always solicited or advertised by the County, nor was bid documentation always retained by the County Clerk for various purchases. The County Clerk and the County Commission indicated bids are sometimes solicited through telephone calls or other direct contact with vendors; however, documentation of these contacts was not maintained or recorded in the County Commission minutes.

The following are examples of items purchased during the years ended December 31, 2002 and 2001, without bid documentation:

Items purchased	Cost
Calcium	\$ 51,951
Gravel	30,621
Tractor	23,834
Plat Books	7,625
Election Supplies	6,465
Radio Equipment	5,723
V-Box Spreader	5,440
Tires	4,797

The items identified above are individual purchases. Additional purchases of this nature were also not bid. For example, the county does not bid items such as calcium and gravel. In addition, the county could not provide evidence that property and liability insurance, health insurance, and workers' compensation insurance policies were properly bid. Rather, the county could only provide evidence that the policies were renewed.

Section 50.660, RSMo 2000, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for the economical management of county resources and help assure the county that it receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested

parties are given an equal opportunity to participate in county business. To show full compliance with state law, documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding. If bids cannot be obtained and sole source procurement is necessary, the official minutes should reflect the necessitating circumstances.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the County Commission solicit bids for all purchases in accordance with state law and maintain documentation of bids. If bids cannot be obtained and sole source procurement is necessary, the official minutes should reflect the necessitating circumstances.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

We did not realize the \$4,500 requirement applied to a period of 90 days. We will watch for this in the future. Some of these purchases were sole source or emergency purchases that were not adequately documented. We will document better in the future. The tractor was leased to purchase and we did not realize this needed to be bid.

3. Special Road and Bridge Fund Administrative Service Fee

Section 50.515, RSMo 2000, authorizes the County Commission to impose an administrative service fee on the Special Road and Bridge Fund. The purpose of this fee is to recoup actual expenditures made from the General Revenue Fund for road and bridge related administrative expenses. The fee is limited to a maximum of three percent of the budget of the Special Road and Bridge Fund.

Budgeted expenditures, upon which the county calculated the transfer amount, exceeded actual expenditures of the Special Road and Bridge Fund during the years ended 2002, 2000, and 1999. In addition, during 2002, 2001, and 2000, the county transferred an additional \$10,000 per year from the Special Road and Bridge Fund to the General Revenue Fund to reimburse the General Revenue Fund for one-half of a Deputy County Clerk's salary. As a result, the county transferred \$46,046 in excess of 3 percent of actual expenditures. At December 31, 1998, \$52,667 was due from the General Revenue Fund to the Special Road and Bridge Fund for prior accumulated excess administrative transfers. This amount was not repaid and at December 31, 2002, \$98,713 in excess administrative transfers is due from the General Revenue Fund to the Special Road and Bridge Fund.

WE AGAIN RECOMMEND the County Commission base administrative transfers on actual or reasonable budgeted expenditures of the Special Road and Bridge Fund. In addition, a transfer of \$98,713 should be made from the General Revenue Fund to the Special Road and Bridge Fund.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

The \$10,000 per year transfer was discontinued beginning in 2003. A part-time secretary was hired for Road and Bridge. We will reduce future administrative transfers to repay this amount over a period of time. We will document the calculations.

4. Property Tax Reduction Due to Sales Tax

The county has not sufficiently reduced its general revenue property tax revenues by 50 percent of sales tax revenues as provided in the ballot issue passed by Ralls County voters under the provisions of Section 67.505, RSMo 2000.

Following are the calculations used in determining excess property tax revenues collected for the years ended December 31, 2002 and 2001, and excess property taxes of prior years:

		Year Ended December 31,	
		2002	2001
ACTUAL SALES TAX REVENUES	\$	369,948	359,047
Required percentage of revenue reduction	X	50%	50%
Required property tax revenue reduction		184,974	179,524
Assessed valuation		130,984,869	126,202,870
General Revenue Fund tax levy reduction (per \$100 of assessed valuation)	X	.1472	.13
Actual property tax revenue reduction		192,810	164,064
EXCESS PROPERTY TAX REVENUES COLLECTED		(7,836)	15,460
Excess property tax revenue collections from prior years		41,175	25,715
NET EXCESS	\$	33,339	41,175

Although the former County Clerk's calculations could not be located by the current County Clerk, it appears that the net excess could be partially attributed to actual sales tax receipts being greater than the amount estimated.

WE RECOMMEND the County Commission reduce the county property tax levy adequately to meet the sales tax reduction requirements, including reductions for excess property taxes collected in prior years.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

The County Clerk included the \$33,339 net excess in the 2003 calculations; however sales tax collections were underestimated. We will continue to include the excess in future calculations.

5. Property Tax Controls and Procedures
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The County Clerk does not maintain an account book with the County Collector and does not prepare or verify the current or back tax books. Controls over property tax book additions and abatements are not adequate.

- A. The County Clerk does not prepare or verify the current or back tax books. The County Collector enters the tax rates which are obtained from the County Clerk, and extends and prints the current tax books. The County Collector also prepares the back tax books. According to the County Collector, she randomly tests the accuracy

of 25 or more tax statements, but does not document this procedure, nor is the County Clerk involved in this procedure. Further, the County Clerk does not perform tests to verify the totals of the current and back tax books.

Section 137.290 and 140.050, RSMo 2000, require the County Clerk to extend tax books and charge the County Collector with the whole amount of the current tax books, and the aggregate amount of taxes, interest, and clerk's fees contained in the back tax books. The procedures outlined in the statutes for the preparation of the tax books provide for the separation of duties and act as a form of checks and balances on the Assessor, County Clerk, and County Collector. Failure of the County Clerk to prepare the tax books as required by statutes, may result in errors and irregularities going undetected.

- B. The County Clerk does not maintain an account book with the County Collector. An account book would summarize all taxes charged to the County Collector, monthly collections, delinquent credits, abatements and additions, and protested amounts. This account book, prepared by the County Clerk from aggregate abstracts, court orders, monthly statements of collections, and the tax books, would enable the County Clerk to ensure the amount of taxes charged and credited to the County Collector each year is complete and accurate.

Additionally, Section 51.150(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. A properly maintained account book could be used by the County Commission to verify the County Collector's annual settlements.

- C. Controls over property tax book additions and abatements are not adequate. The Assessor makes changes in the property tax book records for additions and abatements and prints a court order documenting the changes made and forwards this to the County Collector for her review. The County Collector reviews the changes and files the court orders in a folder. Section 137.260, RSMo 2000, requires the tax books only be changed by the County Clerk under order of the County Commission.

A condition similar to A was noted in our prior audit report.

WE RECOMMEND:

- A. The County Clerk prepare the current and back tax books in accordance with state law.
- B. The County Clerk establish and maintain an account book with the County Collector. The County Commission should use the account book to verify the County Collector's annual settlements.

- C. The County Commission establish procedures requiring the tax books only be changed by the County Clerk under order of the County Commission.

AUDITEE'S RESPONSE

The current County Clerk and the County Collector responded as follows:

- A. *When the County Collector prepared the 2003 tax books, the County Clerk worked with her to enter the levies, test the calculations, verify the totals and test some tax statements. After the tax books were printed, the County Clerk reviewed the tax books.*
- B. *After reviewing the tax books, the County Clerk will retain the summary page and will keep copies of additions and abatements which will be used to review the Collector's annual settlements.*
- C. *The County Collector will provide reports summarizing all additions and abatements to the County Clerk. The County Clerk will review these reports and provide them to the County Commission for their review.*

6. Personnel Policies and Procedures

There was no evidence deputies who handle monies were covered by an employee bond and centralized leave and compensatory time records were not maintained by the County Clerk.

- A. There was no evidence deputies who handle monies were covered by an employee bond. Properly bonding all persons with access to monies would better protect the officials and county from risk of loss.
- B. Although the County Commission has adopted a county wide leave policy for all county employees and leave taken is approved by the respective elected official, centralized accumulated vacation leave, sick leave and compensatory time records are not maintained by the County Clerk.

Without centralized leave records, the County Commission cannot ensure that employees' vacation leave, sick leave, and compensatory time balances are accurate and that all employees are treated equitably. Centralized leave records also aid in determining final compensation for employees leaving county employment and in documenting compliance with the Fair Labor Standards Act.

Similar conditions were noted in our prior audit report.

WE AGAIN RECOMMEND the County Commission:

- A. Obtain adequate bond coverage for all employees with access to monies.
- B. Require the County Clerk to maintain centralized leave records for all county employees.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

- A. We will look into getting a blanket bond for county employees and will continue to maintain coverage for county officials.*
- B. We have implemented standard timesheets that document all leave taken. A county clerk deputy is maintaining leave balances for all county employees.*

7. General Fixed Asset Records and Procedures
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The prior audit report addressed the inadequacy of the county's general fixed assets records and procedures. This condition has not improved. The County Commission or its designee is responsible for maintaining a complete detailed record of county property. The County Clerk apparently has made no effort to maintain property records or to number, tag, or otherwise identify property items.

Adequate general fixed asset records and procedures are necessary to meet statutory requirements, secure better internal control over county property, and provide a basis for determining proper insurance coverage. Inventories and proper tagging of county property are necessary to ensure fixed asset records are accurate, identify any unrecorded additions and dispositions, detect theft of assets, and identify obsolete assets.

Effective August 28, 1999, Section 49.093, RSMo 2000, provides the county officer of each county department shall annually inspect and inventory county property used by that department with an individual original value of \$250 or more and any property with an aggregate original value of \$1,000 or more. After the first inventory is taken, an explanation of material changes shall be attached to subsequent inventories. All remaining property not inventoried by a particular department shall be inventoried by the county clerk. The reports required by this section shall be signed by the county clerk.

WE AGAIN RECOMMEND the County Commission establish a written policy related to the handling and accounting for general fixed assets. In addition to providing guidance on accounting and record keeping, the policy could include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for the handling of asset disposition and usage, and any other concerns associated with county

property. In addition, all general fixed assets should be tagged or identified as county-owned property.

AUDITEE'S RESPONSE

The County Commission and the current County Clerk responded as follows:

We requested that each official provide an inventory list by October 10, 2003. We have received most of these and will be getting the rest. The County Clerk's office will use these lists to develop an inventory list and in the future will record additions and deletions of fixed assets.

8. Assessor's Accounting Controls and Procedures

The Assessor transmitted approximately \$2,300 and \$1,900 to the County Treasurer during the years ended December 31, 2002 and 2001, respectively, from the sale of maps, employee research fees, faxes, and photocopies. Receipts are not transmitted to the County Treasurer on a timely basis, copies of voided receipt slips are not maintained, and accounting duties are not adequately segregated.

- A. The Assessor does not transmit receipts to the County Treasurer on a timely basis. Some receipts were held for approximately three months before being transmitted to the County Treasurer. For example, the turnover made on December 5, 2002, included \$481 in receipts with some dating back to September 17, 2002. We also noted that the turnover on December 5, 2002 was \$13 less than the sum of the Assessor's receipt slips that made up the turnover. Additionally, at April 7, 2003, \$124 received during the period from February 7, 2003 through April 4, 2003 had not been transmitted. To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, receipts should be transmitted to the County Treasurer intact monthly in accordance with Section 50.360, RSMo 2000.
- B. Receipt slips are issued; however, copies of voided receipt slips are not maintained. In addition, the method of payment and the initials of the individual who receipted the monies are not always indicated on the receipt slips. To ensure monies are properly accounted for and transmitted intact, prenumbered receipt slips indicating the method of payment and the initials of the individual who receipted the monies should be issued for all monies received and copies of all receipt slips should be maintained. The composition of receipt slips issued should be reconciled to the composition of transmittals to the County Treasurer.

- C. Accounting duties are not adequately segregated. One individual is primarily responsible for receiving, recording, and transmitting monies to the County Treasurer.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately segregated. If proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of receipt slips issued to amounts transmitted to the County Treasurer.

WE RECOMMEND the Assessor:

- A. Transmit all monies to the County Treasurer intact monthly.
- B. Retain copies of voided receipt slips, ensure the method of payment and the initials of the individual who receipted the monies are indicated on all receipt slips, and reconcile total cash, checks, and money orders received to amounts transmitted to the County Treasurer.
- C. Adequately segregate accounting duties or establish a documented periodic review of the accounting records by an independent person.

AUDITEE'S RESPONSE

The Assessor responded as follows:

These recommendations have been implemented. Additionally, I am reconciling the cash/check composition and initialing the receipt log.

9. County Clerk's Accounting Controls and Procedures

The County Clerk's office collects monies for notary fees, plat books, maps, liquor licenses, ATV permits, auctioneer licenses, and other miscellaneous receipts. The County Clerk does not maintain a bank account for these fees, but transmits them to the County Treasurer. The County Clerk's office collected receipts totaling approximately \$9,300 and \$7,800 in 2002 and 2001, respectively.

Receipt slips are not always issued and accounted for, checks received are not restrictively endorsed immediately upon receipt, and some receipts are not recorded on the monthly fee sheet. The County Clerk is a license fee agent for the Missouri Department of Revenue (DOR) and operates the fee office from his office in the courthouse. The County Clerk pays the county \$100 per month for rent and pays 50 percent of the salary of one deputy; however, no documentation exists to document the adequacy of these payments.

- A. Receipt slips are not issued for some monies received, nor are they issued in numerical sequence and properly accounted for. In addition, some receipts are not recorded on the monthly fee sheet and therefore, receipt slips issued cannot be reconciled to amounts transmitted to the County Treasurer.

To ensure monies are properly accounted for and transmitted intact, prenumbered receipt slips should be issued for all monies received, their numerical sequence accounted for, and the composition of receipt slips issued should be reconciled to the composition of transmittals to the County Treasurer. In addition, all receipts should be posted to the monthly fee sheet.

- B. Checks received are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied at the time of transmittal. To reduce the risk of loss or misuse of funds, checks should be restrictively endorsed immediately upon receipt.
- C. The County Clerk is a license fee agent for the DOR and operates the fee office from his office in the courthouse. The County Clerk receives a fee for each license or permit processed. Based on an agreement between the County Clerk and the County Commission, the County Clerk pays the county \$100 per month for rent. In addition, the County Clerk pays 50 percent of the salary of one of his three deputies. No documentation exists to document the adequacy of the monthly rental amount or the salary allocation of the deputy.

The County Clerk indicated that he and one deputy perform most of the DOR business, although the other two deputies help out on occasion. As timesheets submitted by these deputies do not distinguish between the time worked for the county and the fee office, it could not be determined from where these deputies should be paid. All three deputies were observed performing some DOR business most every day. Time spent on DOR business reduces the time available for county business which could be used to implement controls mentioned throughout this report related to the County Clerk's office.

The County Commission has indicated they believe locating the license office in the courthouse is a public service, however, because the County Clerk is personally profiting from this arrangement, it is important to document the adequacy of the financial arrangement to avoid any appearance of impropriety.

A condition similar to C was noted in a prior report.

WE RECOMMEND the County Clerk:

- A. Issue pre-numbered receipt slips for all monies received, account for their numerical sequence, and reconcile the composition of the receipts to the composition of the transmittal to the County Treasurer. In addition, all receipts should be posted to the monthly fee sheet.
- B. Restrictively endorse checks immediately upon receipt.
- C. Reconsider the decision to operate the DOR license office from the County Clerk's office. If these operations are continued, the County Clerk should hire sufficient personnel to operate the license office, discontinue using county-paid personnel, and document the adequacy of the rental payments.

AUDITEE'S RESPONSE

The current County Clerk responded as follows:

- A. *Receipt slips will be issued for all monies received and all receipts will be recorded on the monthly fee sheet.*
- B. *I will check into getting a stamp to endorse checks for deposit only.*
- C. *The DOR license office has been operated out of the county courthouse for at least 32 years. When I took office in January 2003, I assumed the position of license fee agent to keep the office in the courthouse as a service to county residents. However, I agree with the recommendation and will discuss alternatives with the County Commission during budget time.*

10. Sheriff's Accounting Controls and Procedures

The Sheriff's office processed receipts of approximately \$38,900 and \$41,600 in 2002 and 2001, respectively. Accounting duties are not adequately segregated. The Sheriff's bookkeeper is responsible for receiving, depositing and disbursing monies, preparing bank reconciliations, maintaining the accounting records, and preparing the monthly fee reports. The Sheriff indicated that he reviews and initials the bank statement once the bank reconciliation is completed by his bookkeeper. According to the Sheriff, he ensures the bank reconciliation is completed, but does not review the accounting records that support the bank statement.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating duties of depositing receipts from reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, a periodic supervisory review of the records should be performed and documented.

A similar condition was noted in our prior audit report.

WE AGAIN RECOMMEND the Sheriff adequately segregate accounting duties or ensure periodic supervisory reviews are performed and documented.

AUDITEE'S RESPONSE

The County Sheriff responded as follows:

This recommendation has been implemented. I review the bank reconciliations and initial them.

11. Circuit Clerk's Accounting Controls and Procedures

The Circuit Clerk's office processed receipts of approximately \$182,100 and \$59,800 in 2002 and 2001, respectively. The Circuit Clerk's open items listing as of December 31, 2002 included approximately \$6,400 being held for 79 cases at least 5 years old. In addition, a listing of accrued costs owed to the court is not maintained and monitoring procedures related to accrued costs are not adequate.

- A. The Circuit Clerk's open items listing as of December 31, 2002 included numerous older cases containing balances which are insufficient to cover all costs charged to the case. Included were approximately 79 cases held at least five years and dating to 1980 or before, on which approximately \$6,400 was being held. If it appears unlikely the remaining amounts owed will be collected, a court order should be obtained to allow the balance to be prorated among the various court costs.

Attorney General's Opinion No. 26, 1973 to Osborne, concluded that "If, when liability has been established, accrued costs cannot be collected in full, charges not having any statutory priority or not allocated under court rule should be prorated." Old inactive case balances increase the volume of cases which must be monitored and controlled, putting a greater burden on limited personnel resources. In addition, failure to prorate available monies when it is unlikely the balance will be collected, deprives the state and county of the use of those monies.

- B. A listing of accrued costs owed to the court is not maintained by the Circuit Clerk and monitoring procedures related to accrued costs are not adequate. The Circuit Clerk sends out one initial statement of costs due and no other follow-up action is taken. The Circuit Clerk should review the status of all old cases, and if all costs

have not been received, collection of outstanding amounts should be pursued. In addition, the Circuit Clerk should establish written procedures for collecting accrued costs. By not adequately monitoring accrued costs, these costs could remain uncollected and might eventually result in lost revenue.

A complete and accurate listing of accrued costs would allow the Circuit Clerk to more easily review the amounts due to the court and to take appropriate steps to ensure amounts owed are collected on a timely basis.

WE RECOMMEND the Circuit Clerk:

- A. Review older cases along with the Circuit Judge and determine the appropriate disposition of inactive cases.
- B. Maintain a complete listing of accrued costs and establish procedures to routinely follow-up and pursue timely collection.

AUDITEE'S RESPONSE

The current Circuit Clerk responded as follows:

- A. *During 2004, I plan to review these older cases and discuss with the Circuit Judge which costs may be prorated and disbursed so that the case may be closed.*
- B. *A listing has been developed of amounts owed to the court by people on probation. I will continue to develop a similar listing for other cases in which costs are due to the court. These lists will assist in the monitoring of said accrued costs due to the court.*

12. Associate Division Controls and Procedures

The Associate Division processed receipts of approximately \$328,900 and \$372,200 in 2002 and 2001, respectively. Accounting duties are not adequately segregated and no record is maintained of receipts, disbursements, or cash balances of the petty cash fund.

- A. Accounting duties are not adequately segregated. One individual is responsible for receiving, depositing and disbursing monies, preparing bank reconciliations and maintaining the accounting records. There is no documentation that an independent review of deposits and accounting records is performed.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating duties of depositing receipts from reconciling receipts. If proper segregation of duties cannot be achieved, at a minimum, a periodic supervisory review of the records should be performed and documented.

- B. The Associate Division maintains a petty cash fund used for small expenditures such as office supplies. This fund is comprised of monies received for providing copies. No record is maintained of receipts, disbursements or cash balances of this fund. A cash count on April 22, 2003 identified \$20 of petty cash on hand. Invoices for expenditures made from the petty cash fund during the years ended December 31, 2002 and 2001 totaled approximately \$240.

Copy monies received by the Associate Division represent accountable fees. Section 50.370, RSMo 2000, requires every county official who receives fees for official services to pay such monies monthly to the county treasury. If a petty cash fund is determined to be necessary, it should be kept on an imprest basis and all reimbursements should be supported by vendor invoices or other documentation.

A condition similar to A was noted in our prior audit report.

WE RECOMMEND the Associate Division:

- A. Adequately segregate accounting duties or ensure periodic supervisory reviews are performed and documented.
- B. Deposit all monies intact into the Associate Division's official bank account and disburse all fees to the county treasury monthly. If a petty cash fund is determined to be necessary, it should be funded by the county and maintained on an imprest basis. A log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund.

AUDITEE'S RESPONSE

The Associate Circuit Judge responded as follows:

- A. *I will review the bank reconciliations and document the review.*
- B. *We have started a ledger to record receipts and disbursements of copy monies. On January 2, 2004, all copy monies on hand will be deposited and turned over on a monthly basis and a petty cash fund will be established.*

13. Health Center's Accounting Controls and Procedures

Bids were not always solicited or advertised by the Health Center nor was bid documentation always retained for various purchases. In addition, acknowledgement of receipt of goods or services is not noted on the invoices and employee time sheets are not approved and signed by a supervisor.

- A. Bids were not always solicited or advertised by the Health Center nor was bid documentation always retained for various purchases. Examples of items purchased for which bid documentation could not be located are as follows :

<u>Items purchased</u>	<u>Cost</u>
Therapy Services	\$ 29,654
Computer Equipment and Service	4,876

Section 50.660, RSMo 2000, requires the advertisement for bids for any purchases of \$4,500 or more, from any one person, firm, or corporation during any period of ninety days.

Bidding procedures for major purchases provide a framework for the economical management of Health Center resources and help assure the Health Center that it receives fair value by contracting with the lowest and best bidder. Competitive bidding ensures all interested parties are given an equal opportunity to participate in Health Center business. To show full compliance with state law, documentation of bids should include, at a minimum, a listing of vendors from whom bids were requested, a copy of the request for proposal, a newspaper publication notice when applicable, a copy of all bids received, a summary of the basis and justification for awarding the bid, documentation of all discussions with vendors, and bid specifications designed to encourage competitive bidding. If bids cannot be obtained and sole source procurement is necessary, the official Health Center Board minutes should reflect the necessitating circumstances.

- B. The Health Center does not require acknowledgment of receipt of goods or services to be noted on the invoices. Indication of receipt of goods or services is necessary to ensure that amounts presented for payment represent legitimate operating costs of the Health Center.
- C. Employee time sheets are not approved and signed by a supervisor. The Fair Labor Standards Act requires employers to keep accurate records of actual time worked by employees. The time records should be prepared by the employee, approved by the applicable supervisor, and filed in a central location with the Health Department's payroll records.

WE RECOMMEND the Health Center:

- A. Solicit bids for all purchases in accordance with state law and maintain documentation of bids. If bids cannot be obtained and sole source procurement is necessary, the official Health Center Board minutes should reflect the necessitating circumstances.

- B. Require evidence of receipt of goods or services on each invoice before approving payment.
- C. Ensure employee time sheets are approved by the applicable supervisor and filed in a central location with the Health Department's payroll records.

AUDITEE'S RESPONSE

The Health Center Administrator responded as follows:

- A. These were considered sole source procurements. In the future, the circumstances will be documented in the minutes.*

B&C. These recommendations will be implemented immediately.

14. 911 Board's Accounting Controls and Procedures

Prior to 2001, 911 operations were funded by a voter-approved phone tax and the 911 Fund was maintained by the county. Beginning in 2001, a 911 sales tax became effective and a 911 Board was elected. The 911 Board hired a Director to prepare budgets, maintain accounting records, and supervise the day-to-day activities of the 911 system.

The 911 Board does not have adequate budgetary and receipting procedures, individuals who handle monies are not bonded, and the petty cash fund is not properly maintained. In addition, the Board does not issue IRS Forms 1099-MISC as required and does not maintain adequate fixed asset records.

- A. The following concerns related to the 911 Board's budgets:

- 1. Disbursements exceeded budget amounts by \$19,876 during the year ended December 31, 2002. The 911 Board did not have sufficient procedures in place to adequately monitor the budget.

It was ruled in *State ex rel. Strong v. Cribb*, 364 Mo. 1122, 273 S.W.2d 246 (1954) that county officials are required to strictly comply with county budget laws. If there are valid reasons which necessitate excess disbursements, amendments should be made following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's office. In addition, Section 50.622, RSMo 2000, provides that counties may amend the annual budget during any year in which the county receives additional funds which could not be estimated when the budget was adopted and the county shall follow the same procedures required for adoption of the annual budget to amend its budget.

2. The budget documents prepared by the 911 Board were not adequate. The 2002 budget was not mathematically correct and the actual receipt and disbursement amounts presented for 2001 did not agree to the board's receipt and disbursement records. In addition, the 2002 budget did not reflect actual cash on hand at the beginning of the year. To be of maximum benefit to the 911 Board and to adequately inform county residents of the 911 Board's operations, a complete and accurate budget document is needed.
- B. Individuals who handle monies were not covered by a bond. Properly bonding all persons with access to monies would better protect the 911 Board from risk of loss.
- C. The following concerns were found regarding receipts and deposits:
1. Receipt slips are not issued for some monies received. Generally, receipt slips are only issued for cash receipts. To adequately account for all receipts, prenumbered receipt slips should be issued for all receipts, and the numerical sequence should be accounted for properly and the composition of receipt slips issued should be reconciled to the composition of deposits.
 2. Checks and money orders are not restrictively endorsed immediately upon receipt. Instead, the endorsement is applied at the time the deposit is made. To reduce the risk of loss or misuse of funds, checks and money orders should be restrictively endorsed immediately upon receipt.
 3. Cash receipts are not always deposited and posted to the cash control ledger. In addition, some check receipts are not posted to the cash control ledger on a timely basis. To ensure receipts are properly handled, all receipts should be deposited intact and posted to the cash control ledger on a timely basis.
- D. The 911 Director maintains a petty cash fund used for small expenditures such as office supplies. This fund is comprised of cash received from the sale of maps and mailbox lettering. No record is maintained of receipts, disbursements or cash balances of this fund and the 911 Board does not review these transactions. A cash count on June 24, 2003 identified \$70 of petty cash on hand. Invoices for expenditures made from the petty cash fund since January 1, 2001 totaled approximately \$140.
- If a petty cash fund is determined to be necessary, it should be kept on an imprest basis and all reimbursements should be supported by vendor invoices or other documentation.
- E. The 911 Board does not require acknowledgment of receipt of goods or services to be noted on the invoices. Indication of receipt of goods or services is necessary to ensure that amounts presented for payment represent legitimate operating costs of the 911 Board.

- F. The 911 Board did not issue IRS Forms 1099-MISC apparently because they were not aware of this requirement. Payments for legal services totaling \$3,600 and \$4,550 during 2002 and 2001, respectively, did not have Forms 1099-MISC issued. Section 6041 and 6051 of the Internal Revenue Code require nonemployee payments of at least \$600 or more in one year to an individual or unincorporated business be reported to the federal government on Forms 1099-MISC.
- G. Additions of fixed assets are not always recorded as they occur, and fixed asset expenditures are not reconciled to additions to the inventory records. In addition, some items were added to the fixed asset listing but the description, purchase price, and purchase date were not properly recorded. Also, property tags are not affixed to all assets.

Adequate general fixed asset records are necessary to meet statutory requirements, secure better internal control over 911 Board property, and provide a basis for determining proper insurance coverage. In addition, property control tags should be affixed to all fixed asset items to help improve accountability over these items and help ensure that assets are not lost or stolen.

WE RECOMMEND the 911 Board:

- A.1. Not authorize disbursements in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended and filed per state law.
- 2. Ensure the budget documents prepared are complete and accurate.
- B. Obtain adequate bond coverage for all employees with access to monies.
- C.1. Issue prenumbered receipt slips for all monies received, account for their numerical sequence, and reconcile the composition of receipts to the composition of bank deposits.
- 2. Restrictively endorse checks and money orders immediately upon receipt.
- 3. Deposit all monies intact into the 911 Board's official bank account and post all receipts to the cash control ledger on a timely basis.
- D. If a petty cash fund is determined to be necessary, it should be funded by the 911 Board and maintained on an imprest basis. A log of petty cash fund transactions, including invoices for expenditures, should be maintained to properly document the financial activity of the fund and the 911 board should review all petty cash transactions.

- E. Require evidence of receipt of goods or services on each invoice before approving payment.
- F. Issue IRS Forms 1099-MISC as required by the Internal Revenue Code.
- G. Properly record all additions of fixed assets as they occur and reconcile additions to the property records periodically. In addition, identify all fixed assets with a number, tag, or similar identifying device.

AUDITEE'S RESPONSE

The 911 Director responded as follows:

- A.1. The 911 Board monitored the budget, but was not aware of the need to file an amended report. This will be implemented immediately.*
- 2. We are doing this in preparation of the 2004 budget.*
- B. The bond has been received.*
- C. We have already started performing the recommended procedures.*
- D. We have begun a petty cash fund using the recommended guidelines. All receipts are being deposited.*
- E. We have implemented this recommendation. The receipt was always present before the bill was paid, but the indication of receipt of the good was not always documented on the invoice.*
- F. We have ordered the applicable forms and these will be reported for 2003.*
- G. We have put the tags in place and a fixed asset list is being compiled. In the future, we will add items to the list as purchased.*

Follow-Up on Prior Audit Findings

RALLS COUNTY, MISSOURI FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Ralls County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1998.

The prior recommendations, which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Financial Condition

Ralls County's General Revenue Fund experienced a declining cash balance for the two years ended December 31, 1998.

Recommendation:

The County Commission take the necessary steps to improve the financial condition of the General Revenue Fund.

Status:

Partially implemented. Although the General Revenue Fund's ending cash balance increased from \$4,229 as of December 31, 1998 to \$120,156 as of December 31, 2002, the County Commission has continued to transfer excess administrative fees out of the Road and Bridge Fund to the General Revenue Fund. As noted in MAR 3, at December 31, 2002, \$98,713 in excess administrative transfers is due from the General Revenue Fund to the Special Road and Bridge Fund.

2. Budgetary Practices

- A. The approved budget documents did not adequately project the anticipated financial condition of the Special Road and Bridge Fund for the two years ended December 31, 1998.
- B. Disbursements exceeded budget amounts in various funds during the two years ended December 31, 1998. In addition, the county failed to include activity related to a federal grant in its Drug Enforcement Fund budget for 1998.

Recommendations:

The County Commission:

- A. Estimate receipts and disbursements as closely as possible to the anticipated actual amounts so that a reasonable estimate of the county's financial position is presented.
- B. Not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended and filed per state law.

Status:

- A. Partially implemented. Although the county continued to budget to spend all available resources, the budgeted receipts and disbursements for 2002 and 2001 appear more reasonable than in prior years. Although not repeated in our current report, our recommendation remains as stated above.
- B. Not implemented. See MAR finding number 1.

3. Controls Over County Expenditures

- A.1. Bids were not always solicited nor was bid documentation always retained by the County Clerk for various purchases made by the county during the audit period.
- 2. The County Commission minutes did not always document the evaluation of bid proposals and the basis and justification for awarding bids, including the reasons low bids were not accepted.
- B. The Prosecuting Attorney submitted a letter to the County Clerk's office to obtain reimbursement for various expenses. However, adequate supporting documentation such as invoices, timesheets, or itemized expense reports was not always required to be submitted to the County Commission for various expenses such as mileage, equipment, office expenses, major case expenses, training expenses, and professional services.
- C. The Ralls County Commission authorized operating transfers of \$6,052 from the Special Road and Bridge Fund to the 911 Fund and proposed a transfer for 1999 of \$50,000. In addition, other 911 costs were paid directly from the Special Road and Bridge Fund during the audit period.
- D. The county employed Planning and Zoning legal counsel at a monthly salary of \$1,087. These expenditures were not supported by time sheets or other records documenting work performed.

Recommendations:

The County Commission:

- A. Solicit bids for all purchases in accordance with state law, and maintain documentation of bids solicited and justification for bids awarded. If bids cannot be obtained and sole source procurement is necessary, the official minutes should reflect the necessitating circumstances.
- B. Require adequate supporting documentation prior to approving expenditures for payment. In addition, all unsupported payments to the Prosecuting Attorney should be included on his W-2 or 1099 form.
- C. Review this situation with the county's legal counsel to determine whether transferring Special Road and Bridge funds to the 911 is a proper road and bridge expense. If these expenditures are determined to not be appropriate, these monies should be paid back to the Special Road and Bridge Fund. In addition, charges from 911 to the Special Road and Bridge Fund for work performed should be supported by documentation indicating the number of hours worked or number of dispatch calls received, as well as a per unit amount charged for these services.
- D. Obtain a formal agreement documenting the services to be provided by the Planning and Zoning legal counsel and require adequate supporting documentation of time worked and services performed prior to approving payment.

Status:

- A. Not implemented. See MAR finding number 2.
- B. Implemented.
- C. Partially implemented. The County Commission authorized operating transfers of \$65,039 from the Special Road and Bridge Fund to the 911 Fund during the two years ended December 31, 2000. The County Commission repaid \$5,000 to the Special Road and Bridge Fund from the General Revenue Fund during 2001 and repaid \$5,000 in 2003. The 911 Board made a \$10,000 transfer to the Special Road and Bridge Fund in April 2003 and has budgeted additional 2003 transfers of \$19,000 for the equipment purchases made from the Special Road and Bridge Fund. Although some amounts have been repaid, no documentation was maintained to support the decision made by the County Commission, the 911 Board, or their legal counsel to indicate how the remaining amounts will be repaid to the Special Road and Bridge Fund. Although not repeated in our current report, our recommendation remains as stated above.

- D. Not implemented. The County Commission indicated that they have not obtained a formal agreement documenting the services to be provided by the Planning and Zoning legal counsel and have not required adequate supporting documentation of time worked and services performed prior to approving payment. Although not repeated in our current report, our recommendation remains as stated above.

4. Special Road and Bridge Fund Administrative Service Fee

Section 50.515, RSMo 1994, authorizes the County Commission to impose an administrative service fee on the Special Road and Bridge Fund. The County Commission did not base the administrative service fee on actual or reasonable budgeted expenditures of the Special Road and Bridge Fund, resulting in excess transfers of \$52,667.

Recommendation:

The County Commission base administrative transfers on actual or reasonable budgeted expenditures of the Special Road and Bridge Fund. In addition, a transfer of \$52,667 should be made from the General Revenue Fund to the Special Road and Bridge Fund.

Status:

Not implemented. See MAR finding number 3.

5. Personnel Policies and Procedures

- A. County officials were properly bonded as required by statute; however, other county-paid employees who handled monies were not covered by any employee bond.
- B. Although the County Commission had adopted a countywide leave policy for all county employees, many employees took leave at the discretion of each respective elected official. Centralized accumulated vacation leave, sick leave and compensatory time records were not maintained by the County Clerk. In addition, most of the elected officials or supervisors did not maintain records of vacation leave, sick leave, and compensatory time for their employees.

Recommendations:

The County Commission:

- A. Obtain adequate bond coverage for all employees with access to monies.
- B. Require the County Clerk to maintain centralized leave records for all county employees.

Status:

A&B. Not implemented. See MAR finding number 6.

6. County Clerk's Controls and Procedures

- A. The County Clerk did not maintain adequate records of fixed assets.
- B. The county did not have formal procedures for disposing of county owned property. No written authorization for disposal was obtained from the County Commission. In addition, complete information was not recorded regarding the disposition of assets.
- C. The County Clerk did not periodically reconcile equipment purchases with additions to the fixed asset records and annual inventories of fixed assets were not performed.
- D. Property tags were not placed upon fixed asset items.
- E. The County Clerk neither prepared nor verified the tax books.

Recommendations:

The County Clerk:

- A. Maintain adequate fixed asset records with a detailed description of each item to include the purchase price, date of acquisition, location, and identification number.
- B. And the County Commission establish a formal method of disposing of fixed assets. At a minimum, written authorization for all property dispositions should be obtained and the date and method of disposition should be recorded on the fixed asset records.
- C. Perform an annual inventory of the county's fixed assets and periodically reconcile fixed asset purchases to additions on the fixed asset records.
- D. Identify all fixed assets with a number, tag, or similar identifying device.
- E. Verify the tax books generated by the County Collector's Office.

Status:

A-D. Not implemented. See MAR finding number 7.

E. Not implemented. See MAR finding number 5.

7. Segregation of Duties

- A. In the Circuit Clerk's office, for child support activities, one clerk received monies, recorded cash receipts and disbursements, wrote checks, prepared and made deposits, received bank statements, and performed bank reconciliations.
- B. The Associate Circuit Clerk received monies, recorded receipts and disbursements, prepared and made deposits, and performed month-end reconciliations.
- C. The Sheriff's bookkeeper received monies, recorded receipts and disbursements, wrote checks, prepared and made deposits, received bank statements, performed month-end reconciliations, and prepared monthly fee reports.

Recommendation:

The Circuit Clerk, Associate Division, and the Sheriff provide for adequate segregation of duties or the performance of independent reconciliations and reviews of accounting records.

Status:

Child support collections were turned over to the state's centralized collection agency in July 2001. The court no longer handles child support receipts and disbursements. The Associate Division and the Sheriff have not provided for adequate segregation of duties or the performance of independent reconciliations and reviews of accounting records. See MAR finding numbers 10 and 12.

STATISTICAL SECTION

History, Organization, and
Statistical Information

RALLS COUNTY, MISSOURI HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

Organized in 1820, the county of Ralls was named after Daniel Ralls, one of the first representatives to the state legislature. Ralls County is a county-organized, third-class county and is part of the Tenth Judicial Circuit. The county seat is New London.

Ralls County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 450 miles of county roads and 61 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 8,874 in 1980 and 9,626 in 2000. The following chart shows the county's change in assessed valuation since 1980:

	Year Ended December 31,					
	2002	2001	2000	1999	1985*	1980**
	(in millions)					
Real estate	\$ 78.5	76.8	70.8	69.6	51.3	27.4
Personal property	35.3	31.5	29.4	29.0	9.9	5.1
Railroad and utilities	17.2	18.3	18.4	17.9	13.7	10.6
Total	\$ 131.0	126.6	118.6	116.5	74.9	43.1

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Ralls County's property tax rates per \$100 of assessed valuations were as follows:

	Year Ended December 31,			
	2002	2001	2000	1999
General Revenue Fund	\$.2300	.2300	.2300	.2300
Special Road and Bridge Fund	.2700	.2700	.2700	.2700
Health Center Fund	.1000	.1000	.1000	.1000

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

	Year Ended February 28 (29),			
\$	2003	2002	2001	2000
State of Missouri	39,561	37,405	35,009	35,524
General Revenue Fund	307,723	291,111	273,116	268,273
Special Road and Bridge Fund	352,479	333,366	312,186	316,598
Assessment Fund	64,633	59,977	56,303	56,121
Health Center Fund	130,550	123,470	115,634	117,324
Surtax	203,447	204,242	200,052	214,961
School districts	4,538,841	4,184,739	3,877,350	3,953,456
Library district	140,834	134,389	122,705	123,382
Ambulance district	250,127	227,095	228,471	219,782
Fire protection district	52,977	50,570	38,652	0
Nursing Home	12,158	11,988	11,589	11,093
Tax Maintenance Fund	5,118	0	0	0
Cities	12,971	14,108	14,102	14,333
County Clerk	135	184	149	201
County Employees' Retirement	28,045	27,175	22,002	23,789
Commissions and fees:				
General Revenue Fund	101,441	94,804	87,702	88,974
Total	\$ 6,241,038	5,794,623	5,395,023	5,443,810

Percentages of current taxes collected were as follows:

	Year Ended February 28 (29),			
	2003	2002	2001	2000
Real estate	94.6	94.4	94.8	94.4 %
Personal property	93.9	94.2	94.7	96.3
Railroad and utilities	99.9	99.4	96.8	100.0

Ralls County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	%
General	\$.0050	None		50
General				
(1/3 law enforcement, 1/3 general revenue,				
1/3 road and bridge)	.0050	March 31, 2006	None	
911	.0050	None	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2003	2002	2001	2000	1999
County-Paid Officials:					
George Lane, Presiding Commissioner	\$	27,080	27,080	27,080	27,080
Jesse Poage, Associate Commissioner (1)		25,080	25,080	25,080	25,080
James Thompson, Associate Commissioner (2)		25,080	25,080	25,080	25,080
Gaylord Winders, County Clerk		38,000	38,000	38,000	38,000
John Briscoe, Prosecuting Attorney		45,000	45,000	45,000	45,000
Ben Berghager, Sheriff		42,000	42,000	34,000	34,000
Jena Epperson, County Treasurer		28,120	28,120	28,120	28,120
Woody St. Clair, County Coroner		11,000	11,000	5,500	5,500
Sheila Foster, Public Administrator (3)		25,000	25,000	16,069	14,717
Connie Berry, County Collector, year ended February 28 (29),	38,000	38,000	38,000	38,000	
Thomas Ruhl, County Assessor (4), year ended August 31,		38,675	6,333		
Donald Knight, County Assessor (5), year ended August 31,			27,336	38,900	38,900
Robert Vogler, County Surveyor (6)					
State-Paid Officials:					
Sandra Bangert, Circuit Clerk and Ex Officio Recorder of Deeds		47,300	47,052	46,127	44,292
David Mobley, Associate Circuit Judge (7)		96,000	77,846		
Glenn Norton, Associate Circuit Judge				97,382	87,235

- (1) During 2002, \$1,600 was withheld by the county at \$200 per month from May to December for repayment of excess salary received during years 2000 and 1999. Beginning in January 2003, \$800 per month was withheld by the county and the full amount of excess salary will be repaid in December 2003.
- (2) During 2002, \$1,400 was withheld by the county at \$200 per month from May to November and \$10,954 was paid by the Associate Commissioner in December 2002 for full repayment of excess salary received during years 2000 and 1999.
- (3) Includes fees received from probate cases for the years 2000 and 1999.
- (4) Includes \$675 annual compensation received from the state for the fiscal year 2002.
- (5) Includes \$675, \$900 and \$900 annual compensation received from the state for the fiscal years 2001, 2000 and 1999, respectively.
- (6) Compensation on a fee basis.
- (7) David Mobley took office on February 23, 2001.